



STATE OF WISCONSIN  
DEPARTMENT OF JUSTICE

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August 19, 1994

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FCC MAIL ROOM

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 220  
Washington, D.C. 20554

Re: CC Docket No. 93-22, Policies and Rules  
Implementing The Telephone Disclosure and Dispute  
Resolution Act

Dear Mr. Caton:

The Telecommunications Subcommittee of the Consumer Protection Committee of the National Association of Attorneys General, and the States of Arizona, Arkansas, California, Connecticut, Florida, Illinois, Indiana, Iowa, Kansas, Massachusetts, Michigan, Minnesota, North Carolina, Ohio, Pennsylvania, Rhode Island, Tennessee, Vermont and Wisconsin recommend that the Federal Communications Commission propose rule changes to expressly prohibit local and long distance carriers from billing for calls to 800 pay-per-call services. This written ex parte letter is submitted in accordance with Section 1.1206(a)(1) of the Commission Rules.

We welcome the Commission's announcement to reconsider rules regarding charges for 800 pay-per-call services. During the past several months State Attorneys General have been inundated with thousands of complaints from consumers, businesses and governmental agencies about unauthorized pay-per-call charges of as much as \$28 per minute and thousands of dollars per month for calls placed to 800 numbers.

The majority of complaints pertain to adult entertainment pay-per-call services which have been billed without a valid presubscription agreement made or authorized by the telephone subscriber. In addition, these 800 services often do not comply with existing disclosure requirements. For example, some advertisements promote these services as toll-free and many other advertisements do not disclose that there will be a charge for the call. Further, by using an 800 prefix, these promoters are able to evade blocking which many consumers have put in place to prevent unauthorized pay-per-call charges or to protect their children from unwanted sexual content. These complaints clearly evidence that unscrupulous promoters are circumventing and violating consumer

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protection measures required under rules implementing the Telephone Disclosure and Dispute Resolution Act (TDDRA).

The use of an 800 number by information providers is especially pernicious because people have the expectation that 800 prefix calls are free. Prior to enactment of TDDRA, all calls to an 800 number were free to the person who placed the call. Both consumers and businesses alike have relied upon this established practice. It is indeed unfortunate that with the promulgation of rules to eliminate fraudulent pay-per-call services related to 900 numbers, deceptive purveyors of such services have evaded these rules by using 800 numbers.

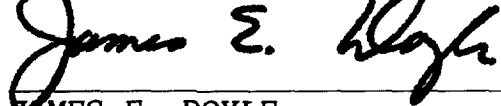
Based upon our experiences with problems caused by 800 pay-per-call services, we recommend that the Commission prohibit local and long distance carriers from billing for 800 pay-per-call services as well as require written presubscription agreements. This recommendation is completely consistent with existing law. TDDRA does not mandate that pay-per-call services accessed through 800 numbers be billed through local or long distance carriers. 47 U.S.C. § 228(c)(6).

While in earlier comments we urged the Commission to require written presubscription agreements for 800 pay-per-call services, we now believe that stronger measures are necessary. The nature and overwhelming number of complaints illustrate that a written presubscription agreement will not be sufficient to protect telephone consumers who neither make nor authorize such an agreement. Under our recommendation, pay-per-call providers could continue to charge for services accessed via an 800 number through a credit card or third-party billing based on a written presubscription agreement. In view of the potential for fraud, deception and consumer confusion, the Commission should prohibit using telephone bills as a method to obtain payment for 800 pay-per-call services.

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In conclusion, we strongly encourage the Commission to ban charging for calls to 800 numbers in subscribers' telephone bills. We look forward to working with the Commission to develop rules to prohibit further abuse by deceptive pay-per-call promoters.

Respectfully submitted:



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